



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING

Telegraphic Address: 22921  
FINANCE - NAIROBI  
Fax No. 315779  
Telephone: 2252299

THE NATIONAL TREASURY  
P.O. Box 30007 - 00100  
NAIROBI  
KENYA

① D LPS  
For tabling  
29/05/23

② H To  
please acknowledge,  
read and  
ensure  
tabling.  
30/5

When replying please quote

Ref: DMD 4/264 'B'

18<sup>th</sup> May, 2023

Mr. Samuel Njoroge  
The Clerk  
National Assembly  
P.O. Box 41842-00100  
NAIROBI



Dear *Bw. Njoroge,*

**REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1<sup>ST</sup> JANUARY 2023 TO 30<sup>TH</sup> APRIL 2023**

The National Treasury has prepared the attached report in accordance with section 31(1) (3) and section 32(3) of the Public Finance Management Act, 2012. The Report contains details on all the new loans signed between the National Government and various creditors from 1<sup>st</sup> January 2023 to 30<sup>th</sup> April 2023. The last similar report covered the period 1<sup>st</sup> September 2022 to 31<sup>st</sup> December 2022.

The Report shows the loan balances brought forward, drawings, amortizations, the names of the parties to the loan, the purposes and the perceived benefits of the loan.

The purpose of this letter is to forward to you the report for tabling in Parliament.

Yours *Sincerely,*  
*[Signature]*



**NJUGUNA NDUNG'U, CBS**  
**CABINET SECRETARY**

Copy to: Principal Secretary/National Treasury

Encl: Report on new loans contracted by the National Government from 1<sup>st</sup> January 2023 to 30<sup>th</sup> April 2023.

# REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1<sup>ST</sup> JANUARY 2023 TO 30<sup>TH</sup> APRIL 2023

## Section 1- Introduction

This report on new loans is prepared in accordance with section 31 (3) of the Public Finance Management Act, 2012 and covers the period from 1<sup>st</sup> January 2023 to 30<sup>th</sup> April 2023. Section 31(3) requires that "At the end of every four months, the Cabinet Secretary shall submit a report to Parliament stating the loan balances brought forward, carried down, drawings and amortizations on new loans obtained from outside Kenya or denominated in foreign currency, and such other information as may be prescribed by regulations, specifying—

- (a) the names of the parties to the loan;
- (b) the amount of the loan and the currency in which it is expressed and in which it is repayable;
- (c) the terms and conditions of the loan, including interest and other charges payable and the terms of repayment;
- (d) the amount of the loan advanced at the time the report is submitted;
- (e) the purpose for which the loan was used and the perceived benefits of the loan."

## Section 2 - Details of the new loans.

This section of the report contains five (5) new loans contracted between Government of Kenya and, bilateral, multilateral and commercial creditors. Three of the loans are from multilateral lenders, one from bilateral lender and one from commercial lender. The total value of the 5 new loans signed is equivalent to Kshs. 64,802,565,292. One of the loans had disbursed by the time of submitting this report. The loans are as follows:

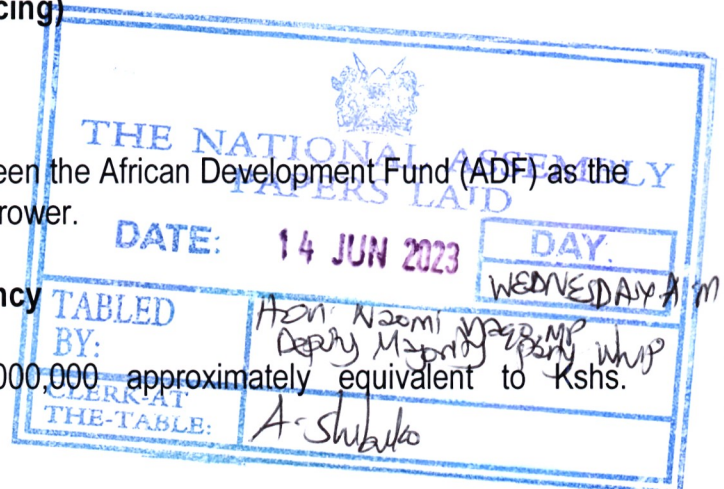
### 1. East Africa's Centers of Excellence for Skills and Tertiary Education in Biomedical Sciences – Phase 1 (Additional Financing)

#### i. The parties to the loan

The loan was signed on 5<sup>th</sup> April 2023 between the African Development Fund (ADF) as the lender and Government of Kenya as the borrower.

#### ii. The amount of the loan and the currency

The amount of the loan is UA 14,000,000 approximately equivalent to Kshs. 2,563,050,000 and will be repaid in Euro.





**The National Treasury and Economic Planning**

**REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY  
GOVERNMENT OF KENYA FROM 1<sup>ST</sup> JANUARY 2023 TO 30<sup>TH</sup> APRIL 2023**

**ii. The amount of the loan and the currency**

The amount of the loan is USD 100,000,000 for facility B and EUR 93,000,000 for facility C approximately equivalent to Kshs. 27,572,256,600 and will be repaid in US dollar and Euro for facility B and C respectively.

**iii. The terms and conditions of the loan**

The Facility B loan will be repaid in 6 equal six-monthly instalments of USD 16,666,666.67 from 15<sup>th</sup> April 2025 through to 15<sup>th</sup> October 2027. The Facility C loan will be repaid in 6 equal six-monthly instalments of EUR 15,500,000 from 15<sup>th</sup> April 2025 through to 15<sup>th</sup> October 2027. The interest rate for both facilities is a margin of 5.4 percent per annum plus a term reference rate on the disbursed loan balance. The borrower shall pay an up-front fee and an agency fee in the amount and the times agreed in a fee letter.

**iv. The purpose for the loan**

To fund development projects and any fees, costs and expenses incurred in connection with the finance documents.

**4. Multinational Horn of Africa Isiolo – Mandera Corridor: El Wak – Rhamu Road Upgrading Project**

**i. The parties to the loan**

The loan was signed on 9<sup>th</sup> May 2022 between the African Development Bank as the lender and Government of Kenya as the borrower.

**ii. The amount of the loan and the currency**

The amount of the loan is EUR 64,660,000 approximately equivalent to Kshs. 9,646,379,692 and will be repaid in Euro.

**iii. The terms and conditions of the loan**

The loan will be repaid in 34 equal semi-annual instalments of EUR 1,901,764.71 from 15<sup>th</sup> May 2030 through to 15<sup>th</sup> November 2046. The interest payable on the disbursed loan balance shall be at a percentage rate per annum to the sum of the: Floating Base Rate; Lending Margin; Funding Cost Margin; and Maturity Premium twenty (20) basis points per annum. The commitment charge rate is 0.25 per cent per annum on the undisbursed loan balance. In addition, a front-End fee on the loan amount at a rate equal to 0.25 percent of the loan.



### **iii. The terms and conditions of the loan**

The loan will be repaid in 50 equal semi-annual repayments of EUR 343,604.17 from 1<sup>st</sup> September 2029 through to 1<sup>st</sup> March 2054. The interest rate of the loan is 1 percent per annum and the service charge is 0.75 percent per annum on disbursed loan balance. The commitment charge rate is 0.5 per cent per annum on the undisbursed loan balance.

### **iv. The purpose for the loan**

To contribute to development of relevant and highly skilled workforce in biomedical sciences to meet the East African Community (EAC) immediate labour market needs and support implementation of EAC's "free" labour market protocols.

## **2. Olkaria I & IV Upgrading Geothermal Project**

### **i. The parties to the loan**

The loan was signed on 28<sup>th</sup> February 2023 between the Government of the Federal Republic of Germany as the lender and Government of Kenya as the borrower.

### **ii. The amount of the loan and the currency**

The amount of the loan is EUR 45,000,000 approximately equivalent to Kshs. 6,713,379,000 and will be repaid in Euro.

### **iii. The terms and conditions of the loan**

The loan will be repaid in 20 instalments of EUR 2,142,857.14 from 15<sup>th</sup> December 2027 through to 15<sup>th</sup> June 2037 and 1 instalment of EUR 2,142,857.20 on 15<sup>th</sup> December 2037. The interest rate of the loan is 6 months Euribor plus a margin of 0.25 per cent per annum. The commitment charge rate is 0.25 per cent per annum on undisbursed loan amounts. A one-time lump-sum management fee of 0.50 percent of the loan amount.

### **iv. The purpose for the loan**

To finance the upgrading of the geo-thermal power plant Olkaria I & IV.

## **3. Syndicated Term Loan Facility**

### **i. The parties to the loan**

The loan was signed on 5<sup>th</sup> April 2023 between the Citibank, N.A., London Branch, Rand Merchant Bank, a Division of FirstRand Bank Limited (London Branch), The Standard Bank of South Africa Limited and Standard Chartered Bank as the lender and Government of Kenya as the borrower.

#### **iv. The purpose for the loan**

To improve road transport and trade along the corridor. The specific objective of the project is to improve road transport services along the Isiolo – Mandera corridor by reducing travel time and vehicle operating costs and to improve road traffic safety along the road.

### **5. Multinational Horn of Africa Isiolo – Mandera Corridor: EL WAK – Rhamu Road Upgrading Project**

#### **i. The parties to the loan**

The loan was signed on 9<sup>th</sup> May 2022 between the African Development Fund as the lender and Government of Kenya as the borrower.

#### **ii. The amount of the loan and the currency**

The amount of the loan is UA 100,000,000 approximately equivalent to Kshs. 18,307,500,000 and will be repaid in Euro.

#### **iii. The terms and conditions of the loan**

The loan will be repaid in 50 equal semi-annual instalments of EUR 2,454,315.48 from 15<sup>th</sup> May 2027 to 15<sup>th</sup> November 2051. The interest rate of the loan is 1 percent per annum on the disbursed loan balance and a service charge of the loan is 0.75 percent per annum on the disbursed loan balance. The commitment charge rate is 0.5 per cent per annum on undisbursed loan balance.

#### **iv. The purpose for the loan**

To improve road transport and trade along the corridor. The specific objective of the project is to improve road transport services along the Isiolo – Mandera corridor by reducing travel time and vehicle operating costs and to improve road traffic safety along the road.

